

**CARLSBAD TOURISM BUSINESS IMPROVEMENT DISTRICT  
(CTBID) BOARD**

***MINUTES***

**July 7, 2008**

**11:00 a.m.**

**1635 Faraday Avenue, Room 173A  
Carlsbad, CA**

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***I. CALL TO ORDER:*** **11:05 .m.**

Chair April Shute called the meeting to order at 11:05 a.m.

***II. ROLL CALL:***

The Chair took roll call and five Directors were present. Director Cima was absent. Mr. Paul Edmonson served as General Counsel for Mr. Ron Ball.

***III. (C) APPROVE MINUTES OF MAY 7, 2008 MEETING***

Mr. Stripe made a motion, seconded by Mr. Canepa, to approve the minutes of the May 7, 2008 meeting. Motion carried.

***IV. (C) AB07-08-30 APPROVE SAN DIEGO NORTH CONVENTION AND VISITORS BUREAU QUARTERLY REPORT***

Several Board members had questions relative to bookings made through Travelocity, Expedia, Hotels.com, etc. and were curious why those numbers were included in the SDNCVB report. Their corporate headquarters staff contract directly with these entities. Approval and acceptance of the report is deferred until the next CTBID meeting on August 26.

**ACTION:**

Staff will contact San Diego North Convention & Visitors Bureau staff and ask them to provide the following information in their annual report:

- 1) provide separate subtotals for group bookings vs. extranet providers to reserve hotel rooms at a specific property.

Staff will also work with SDNCVB and properties on bookings shown in the report that properties said they used their own staff to contract with.

## **V. STAFF REPORT**

### 1) Financial Report

Mrs. Gerhardt presented a staff report to update the Board members on financial activity that has transpired since the previous meeting. (The PowerPoint slide presentation is attached to these minutes.) Assessment revenue numbers collected by the hotels in May and remitted to the City in June were not yet available. She will obtain the information from the Finance Department this week and post the report on the CTBID City website.

Mrs. Gerhardt reported that estimated revenues as of June 30, 2008 were \$828,724. Total expenditures were \$694,497. The amount paid to date for the Reint Reinders & Associates contract is \$50,200. The remaining \$29,800 will be carried over to the new FY2008-09 budget.

Comparing FY2007 vs. 2008, Mrs. Gerhardt reported that revenue was \$64,000 higher this year. She also mentioned the new FY2008-09 budget that went into effect on July 1, 2008, which the Board approved at its last meeting. The City Council approved it at its June 24, 2008 meeting. The only change to the new budget is an addition of \$40,000 for CTBID grants. There is \$250,000 in Contingency for any additional projects the Board may wish to embark upon.

Financial Highlights include:

- ♦ Current year contingency = \$250,000
- ♦ Unbudgeted reserves = \$365,000
- ♦ Total number of hotel rooms = 3,635

## **VI. AB07-08-31 CTBID GRANT REQUESTS**

Mrs. Gerhardt stated two grant applications were received, one from In Motion Events and one from ArtSplash. She introduced Lynn Flanagan from In Motion Events on behalf of the Carlsbad Marathon.

Mrs. Flanagan stated that the Carlsbad Marathon has been an annual event since 1991. Last year it accounted for over 12,000 room nights. The date this year is January 25, 2009. The marketing focus is on the local market and driver market, including Orange, Los Angeles, Riverside and San Bernardino counties as well as Arizona and Las Vegas.

If the grant is awarded to the Carlsbad Marathon, the money will be used as follows:

- ♦ Print ads in: LA Sports and Fitness Magazine, Race Place Arizona, and Sweat Magazine-Arizona

- ♦ Direct mail campaign to marathoners in the Los Angeles area as well as key areas in Nevada and Arizona
- ♦ Distribution of entry forms in these target areas
- ♦ Design and printing of ads and collateral materials for the new marketing program

In response to several questions, Mrs. Flanagan shared that the direct mail campaign has been replaced by e-mail. It costs \$10,000 to purchase sponsor, event and participant lists, which include over 100,000 people. Ten per cent of the participants are from Arizona, which is second to California. She previously has not done advertising in Arizona.

San Diego North Convention & Visitors Bureau does all the hotel contracts for them. Two hundred fifty people have already booked rooms at the Hilton, hosted by a charity group annual convention with doctor seminars. The Leukemia Society had 150 people at a local hotel this past year and they plan to double it next year.

**ACTION:** Mr. Becerra requested that Mrs. Flanagan obtain a day-by-day report from SDNCVB for the hotel rooms reserved.

Mrs. Flanagan stated the participants will be given a survey at check-in to complete that includes information about where they are staying and for how long.

Conversation ensued regarding the ARES reservation tool used by SDNCVB and the notion ARES charges a 24% discount to hotels for bookings made through their system. Board members were curious to know if that discount applied to citywide events and specifically for the Marathon. A suggestion was made to offer not more than a 6% discount.

Mrs. Flanagan stated that on the Marathon website page there is a list of all the hotels they have contracts with and a link to click on to get more information about the hotel and to make the reservation.

**ACTION:** Mr. Stripe requested that Mrs. Flanagan provide the information they requested by the August 26 meeting, to ensure that financial strengths are aligned.

Chair Shute asked how the print ads are tracked. Mrs. Flanagan responded they offer a free training shirt to anyone who registers through the particular ad. A code number is assigned. About 90% of the people register on line and one half of the advertising is done on line.

**ACTION:** Mr. Stripe suggested adding questions to the survey such as: 1) age and number of children; 2) income level; and 3) e-mail address. Some properties would like this information for their marketing database.

Mrs. Gerhardt stated In Motion could supply the information in their final report detailing the results of the project along with copies of the pre-approved advertisements and collateral materials supported through the grant.

**ACTION:** In summary, the following information was requested:

- 1) booking information process
- 2) confirm the ARES discount
- 3) include in the survey information that will be useful for the hotels
- 4) tracking on print ads
- 5) circulation number of direct mail, e-mail and print ads

Mrs. Flanagan stated the survey is e-mailed along with the registration packet and they e-mail it again after the event. Mrs. Gerhardt described the process for the Rock & Roll Marathon. They have everyone complete the survey before they get their number. They e-mailed it prior to the event so it can be completed and turned in at registration; or it can be completed at the event and turned in at the registration area. Their policy is if you want to run, you complete the survey.

Mrs. Gerhardt introduced Joni Miringoff representing ArtSplash. Mrs. Miringoff showed a DVD that highlighted the ArtSplash two-day events. She provided background that ArtSplash is an all volunteer, non-profit organization that produces a popular annual arts and music festival in Carlsbad to raise funds for art and music programs in North County schools.

The CTBID support is needed to help market and publicize ArtSplash throughout the greater Southern California region to maximize patronage for both the festival and local businesses. The funds will be used to purchase ads in Orange and Riverside County newspapers as well as other out of the area magazines and websites.

Mr. Stripe suggested partnering with Legoland to encourage two-night stays. Mrs. Miringoff stated that they give a child's admission free for anyone who signs up for a 2' x 2' square in the family area. They also provide tickets for raffle drawings.

Mr. Stripe made a motion, seconded by Mr. Becerra, to adopt Resolution No. 2008-5 allocating \$10,000 to In Motion Events and \$7,000 to ArtSplash. Motion carried.

**VII. DISCUSSION ITEMS**

None.

**VIII. NEXT MEETING**

The next regular meeting is on Tuesday, August 26, from 3:00 p.m. to 5:00 p.m. at 1635 Faraday Avenue, Room 173A.

Agenda items to include:

1. Reint Reinders & Associates will present its report and findings
2. June 30, 2008 end-of-year reports from Carlsbad Convention and Visitors Bureau and San Diego North Convention and Visitors Bureau
3. Follow-up response to today's questions by Lynn Flanagan of In Motion Events

**PUBLIC COMMENT**

None.

**ADJOURNMENT**

Chair Shute adjourned the meeting at 11:56 a.m.

Respectfully submitted,

Sheryl Keller  
Recording Secretary

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# **Carlsbad Tourism**

## **Business Improvement**

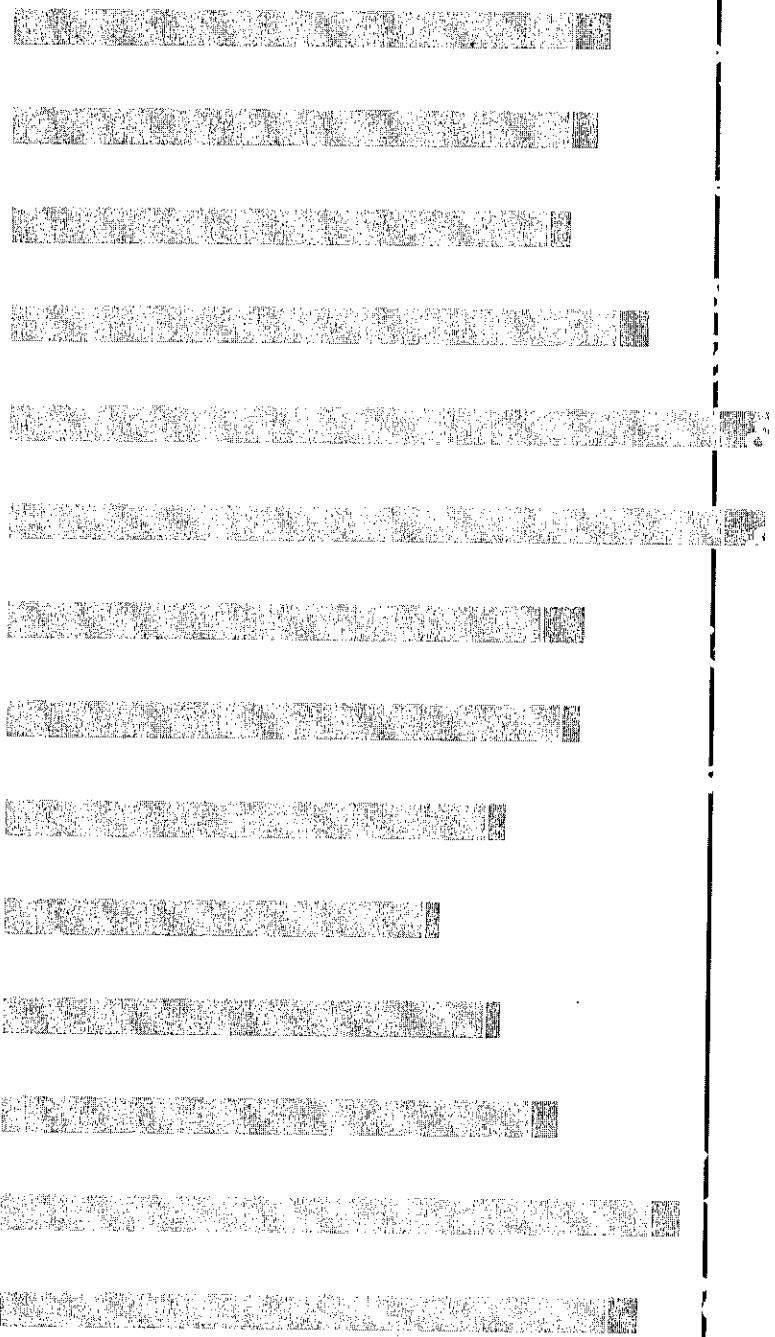
### **District**

# **Financial Update**

**June 30, 2008**

# CTBID Assessment Revenue

12 month period



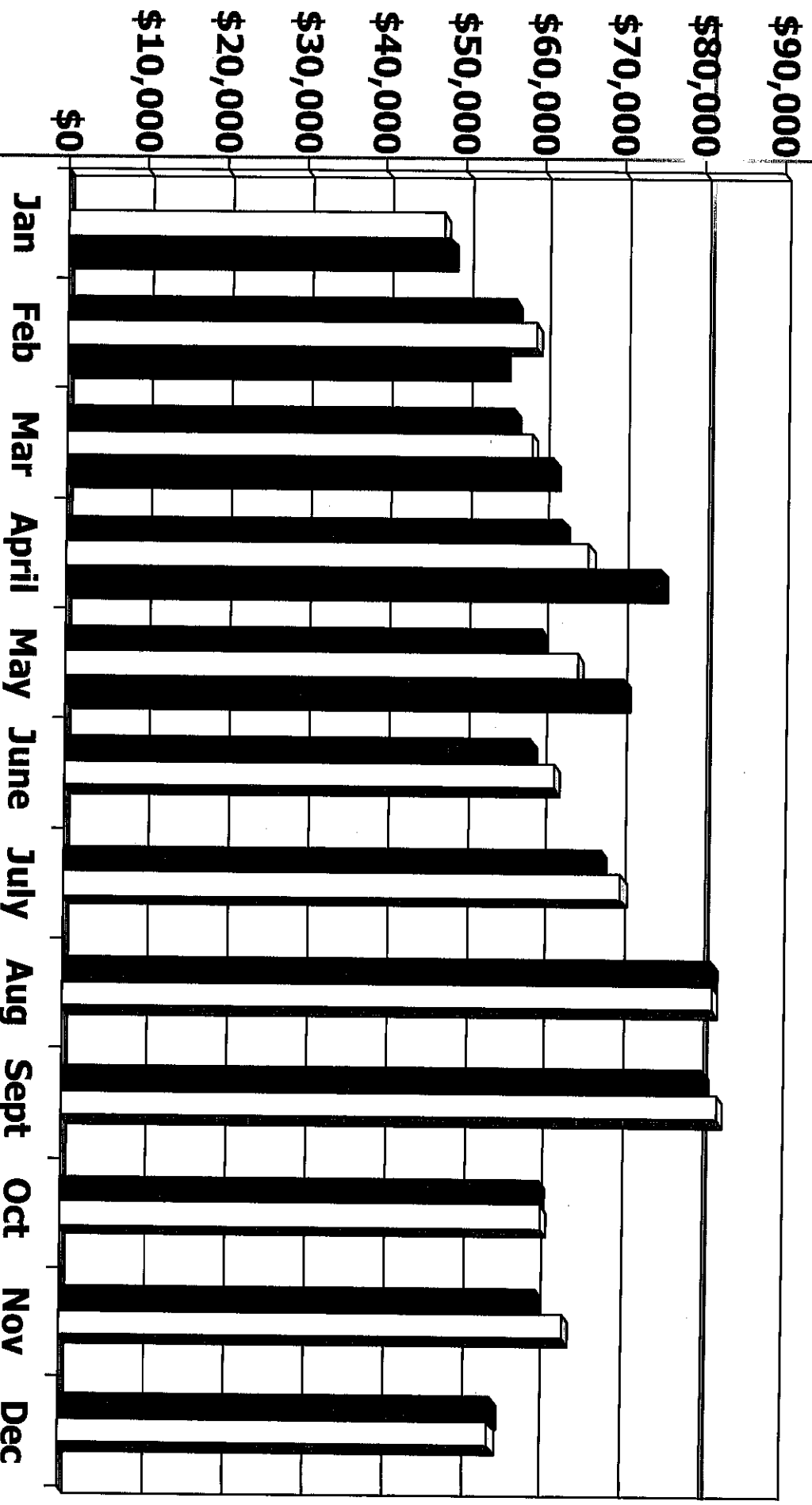
Month revenue remitted

Hotel Timeshare

Ave occupancy rate 62%

# CTBID Assessment Revenue

28 month period



■ 2006 □ 2007 ■ 2008

Month revenue remitted

Ave occupancy rate 62%



# 2007-08 Budget to Actual

Program Areas	Budget	Actual 30-June-08	Difference
<u>Revenues:</u>			
CTBID Assessment	775,000	814,193	39,193
Interest Earnings	5,000	14,531	9,531
Total Estimated Revenues	780,000	828,724	48,724
<u>Expenditures:</u>			
2% Administrative Fee - City	15,500	14,410	(1,090)
CCVB Contract	448,800	448,800	0
SDNCVB Contract	110,000	110,000	0
Staff support	15,000	12,569	(2,431)
Positioning Study	61,000	58,518	(2,482)
RR&A Contract	80,000	50,200	(29,800)
Contingency	70,000	0	(70,000)
Total Expenses	800,300	694,497	(105,803)

# FYTD 2007 vs 2008

Program Areas	Actual 30-June-07	Actual 30-June-08	\$ Difference	% Difference
<u>Revenues:</u>				
CTBID Assessment	750,099	814,193	64,094	8.5
Interest Earnings	7,779	14,531	6,752	86.7
Total Estimated Revenues	757,878	828,724	70,846	9.3
<u>Expenditures:</u>				
2% Admin. Fee - City	13,934	14,410	476	3.4
CCVB Contract	408,000	448,800	40,800	10.0
SDNCVB Contract	100,000	110,000	10,000	10.0
Staff support	14,912	12,569	(2,343)	(15.7)
Positioning Study	34,000	58,518	24,518	72.1
RR&A Contract	0	50,200	50,200	100
Total Expenses	570,846	694,497	123,651	21.7

# 2008-09 Budget

Program Areas	Budget
<u>Revenues:</u>	
CTBID Assessment	775,000
Interest Earnings	10,000
Total Estimated Revenues	785,000
<u>Expenditures:</u>	
2% Administrative Fee - City	16,500
CCVB Contract	448,000
SDNCVB Contract	110,000
Staff support	16,500
CTBID Grants	40,000
Contingency	250,000
Total Expenses	881,000

# Financial Highlights

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- Current year contingency \$250,000
  - Unbudgeted reserves \$365,000
  - Total number of hotel rooms 3,635
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